

D-7994

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(Special Branch) Office Notes

Japanese Press translations

August 11, 1937.

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shot from the front. We believe that as it is the usual practice of the Chinese to shoot others, they brought a dead member of the Peace Preservation Corps who was not connected with the incident in order to puzzle us when dealing with the case. We should exercise great care not to be deceived by them."

#### MAINICHI

#### NANKING GOVERNMENT UNREASONABLY INSTRUCTS CHINESE TO EVACUATE JAPAN

Japanese residents in China are evacuating to Japan due to the activities of Chinese soldiers at various places. There are about 36,000 Chinese in Japan but 3,000 students returned to China for the summer vacation. The Ministry of Communications of the Nanking Government is reported to have instructed Chinese residents in Japan to assemble at various ports so that they may return to China on the steamers provided by the Ministry of Communications. The Nanking Government has ordered the China Merchants Steam Navigation Company to provide 6 ships but none of them is fit for an ocean voyage. As a result, the Ministry of Communications of the Nanking Government has appealed to Japan for co-operation in the evacuation of the Chinese people in Japan. China has failed to give protection to foreign residents in China whenever Sino-Japanese relations have become serious, but Japan has always given full protection to the lives and property of foreign residents in time of trouble. Although the majority of the Chinese residents in Japan believe that Japan is safer than China, the Nanking Government is considering the evacuation of the entire body of Chinese in Japan with steamers chartered from Great Britain.

#### NIPPO

#### NANKING GOVERNMENT DECIDES TO ENGAGE AMERICAN AVIATORS

In order to strengthen its air force, the Nanking Government has decided to engage foreign aviators and to request the American Government to engage 500 Americans for pilot service in China at a salary of 1,000 gold dollars per month. The recruits will arrive in China at the end of this month. Of late America was reported to have issued a notification prohibiting Americans from joining the Chinese army, stating that those who join the Chinese army will lose American citizenship.

It will be interesting to see what attitude the American Government will adopt to China's request.

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NIPPO

JAPANESE REFUGEES FROM UP RIVER DUE IN SHANGHAI  
TO-DAY

It is reported that all Japanese refugees from Wuhu, Nanking, Kiukiang and Hankow are expected to arrive in Shanghai to-day.

RE-OPENING OF TUNGWEN COLLEGE POSTPONED INDEFINITELY

The authorities of the Tungwen College have decided to postpone the re-opening of the college indefinitely owing to the grave situation, and have issued a notification to the students to keep in touch with the school for further information.

MAINICHI

PROVISIONAL GOVERNMENT AT TANGSHAN

A Domei telegram from Tientsin reports that Mr. Shih Chung-mou, superior officer of the East Hopei Government, together with other important officers of his government will leave there for Tangshan by train on the morning of August 9 to form a new regime which will appoint Mr. Wong Chi-chwang chief of the Administrative Office, Mr. Li Ching-ming chief of the Finance Department, Mr. Wong Zung-ting chief of the General Affairs Office, Mr. Nyien Kwang-liang chief of the Reconstruction Department and Mr. Wu Hsueh-chang chief of the Education Department.

GENERAL LIEU HSIANG STATES WAR INEVITABLE

A Nanking telegram reports that General Lieu Hsiang, Pacification Commissioner of Szechuen, arrived at Nanking on August 7 and stated that China's national crisis had reached its climax and that a general clash was inevitable.



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MAINICHI

S.M.P. GUARDING DISTRICTS WHERE MANY JAPANESE  
RESIDE

Since the outbreak of the northern incident the authorities concerned are adopting strict police measures especially now that the Chinese exodus to the International Settlement is increasing daily due to the activities of the Peace Preservation Corps and groundless rumours. The number of profiteers is reported to be increasing. The S.M.P. have detailed men to the locations where many Japanese reside in order to give satisfactory protection. Hongkew and Dixwell Road stations are very active in this respect. The S.M.P. are reported to be ready to give satisfactory protection to all residents in the International Settlement in time of trouble and they are suppressing insubordinate elements by co-operation between various stations.

NICHI-NICHI

JAPANESE CONSULAR POLICE TO SUPPRESS RUMOUR MONGERS

Various rumours are being circulated due to the disturbed situation and the Chinese are becoming alarmed. A certain Japanese is reported to be spreading groundless rumours to the effect that fighting will take place in Chapei at any moment. This has caused great consternation among Japanese women. The Japanese Consular Police are suppressing such rumour mongers and Japanese residents are warned to exercise great care.

MEETING OF JAPANESE AMALGAMATED ASSOCIATION OF  
STREET UNIONS

At 4 p.m. yesterday the Standing Committee of the Japanese Amalgamated Association of Street Unions held a meeting and discussed the present situation and exchanged information received.

RICE TO BE SOLD TO JAPANESE RESIDENTS AT JAPANESE  
SCHOOL ON RANGE ROAD

As the Chinese rice shops are refusing to sell rice to Japanese because of threats by anti-Japanese associations, the Japanese Emergency Committee held a meeting on August 8 and discussed the matter. It was decided that the Committee would sell rice at cost price to the Japanese residents at the Japanese school on Range Road in order to assist those who are not able to purchase rice from Chinese. The sale of rice will commence from 9 a.m. August 9. Further details will be decided on this morning by the Committee.

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sent a letter to the S.M.C. asking for suppression of Japanese who had organized a special corps to disturb peace and order in the International Settlement. It is a very laughable matter that such high class Chinese people should lend their ears to such a groundless rumour invented by Chinese newspapers. The Japanese have never thought of forming such an organization.

### NIPPO

#### POOR ATTENDANCE OF WORKERS AT JAPANESE COTTON MILLS

It is reported that due to the aggravated situation and the groundless rumours, large numbers of female workers of the local Japanese cotton mills have failed to report for work thereby reducing the productive efficiency of the local mills by about 20%.

#### ANTI-JAPANESE ACTIVITIES AT HANKOW

A Domei telegram from Hankow dated August 5 reports that Chinese merchants there have severed business connections with Japanese exporters and importers, the Chinese banks have ceased to do business with Japanese and the Chinese refuse to sell rice and gasoline on the ground that it will be used for military purposes. Chinese students are making anti-Japanese speeches every day and encouraging anti-Japanese feelings among the people. Sand bag defences are being erected around the Japanese Concession and machine guns and rifles pointed in its direction. Japanese residents have started to evacuate.

#### SWEDISH WISHES TO JOIN CHINESE ARMY

It is reported that an old Swedish ex-soldier named Ole Olesson residing at No. 58 Wayside Road has declared that he wishes to join the Chinese army to fight Japan.

#### TEN THOUSAND EVACUATE NANKING

2994  
According to a Japanese refugee from Nanking, about 10,000 people have evacuated Nanking for places of safety owing to various rumours of a Sino-Japanese war. The Nanking Government has instructed the people there to paint the red roofs of their houses grey in case of a Japanese air attack; the public buses have also been painted grey.

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MAINICHI

YESTERDAY'S HEAVY EXODUS DUE TO FRESH RUMOUR

Yesterday's exodus from the Yangtzepoo, Hongkew, Szechuen Road and Paoshan Road districts was three or four times greater than on previous days. It is reported that a new rumour to the effect that the members of the Peace Preservation Corps are visiting every house stating that fighting will break out on August 8, is responsible for the heavy exodus.

It is also reported that several members of the Peace Preservation Corps broke the fence and entered the Kowaen Japanese farm, belonging to Mr. Shibatake and located in the vicinity of the Garden belonging to the Japanese Club, and told the inmates to evacuate the place because the headquarters of the Peace Preservation Corps had issued an order to the effect that an assault would be launched on the Japanese soldiers on August 8. They then took watermelons without the knowledge of the occupants and left the place.

29TH ARMY CONCENTRATING AT ZOH LIU CHING ON  
TSIN-FU RAILWAY LINE

A Domei telegram from Tientsin dated August 5 reports that the remainder of the 29th Army is concentrating at Zoh Liu Ching on the Tsin-Fu Railway line.

CHINESE RATEPAYERS' ASSOCIATION SUBMITS ANTI-  
JAPANESE REPORT TO S.M.C.

It is reported that the Chinese Ratepayers' Association in the International Settlement, in co-operation with the important Chinese officers of the S.M.C. and the Various Circles Association for the Support of Armed Resistance, submitted an anti-Japanese report containing the following expressions:- "The Japanese soldiers are encroaching upon the police authority of the S.M.C., thereby endangering peace and order. They are enemies of civilization, progress and peace."

Though the S.M.C. is endeavouring to maintain an attitude of toleration, it will take certain measures against such ignorant representatives of the International Settlement. If the Chinese Ratepayers' Association submitted the report in question to the S.M.C. as having been received from the Association for the Support of Armed Resistance, the latter association will be severely dealt with. The peace and order of Shanghai is indeed in a state of danger when even the Chinese Ratepayers' Association begins to spread anti-Japanese propaganda.

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NIPPO

N.K.K. COMPRADORE AT CHUNGKING KIDNAPPED BY CHINESE AUTHORITIES

It is reported that on July 30 the Chinese compradore of the N.K.K. was kidnapped by the Chinese authorities at Chungking and charged with being a spy.

AMERICAN AUTHORITIES INVESTIGATE AMERICANS JOINING CHINESE ARMY

A Domei telegram from America reports that the American authorities are making an investigation into the report that 180 American aviators have joined the Chinese army to fight Japan in the North.

S.M.C. PROHIBITS JAPANESE AND EUROPEAN POLICEMEN FROM ENTERING CHINESE TERRITORY

Considering that the situation is growing serious due to the war preparations of the Nanking Government, the Shanghai Municipal authorities have issued strict instructions to the Japanese and European members of the Police not to enter Chinese controlled territory in any event and that the S.M.C. will not be responsible for any incident which may occur. The object of the above instructions is to prevent trouble which may be created by the presence in Chinese territory of Japanese policemen at the present time when the Sino-Japanese situation is much strained. It is believed that the conservative ideas of the British Government are behind these instructions. The British Government at one time appeared to be attempting to interfere in the northern situation, but is now keeping quiet as a result of Japan's strong attitude.

KUOMINTANG PROPAGANDA DEPARTMENT MOBILIZES MOVING PICTURE PRODUCERS FOR ANTI-JAPANESE PROPAGANDA

It is reported that the Central Kuomintang Propaganda Department has decided to mobilize all Chinese moving picture producers to organize an emergency moving picture producers' league for the purpose of causing anti-Japanese agitation among the people.

CHINESE OPINION DIVIDED BETWEEN PEACE AND WAR

It is reported that important Chinese financial circles who know the true situation of the local military administration are opposed to immediate declaration of war on Japan, while young military officers

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MAINICHIS.M.C. OPPOSES ENFORCEMENT OF CHINESE CONSCRIPTION  
LAW AND CHINESE MILITARY TRAINING IN THE  
INTERNATIONAL SETTLEMENT

As a result of a circular telegram sent out by the National Government concerning enforcement of a conscription law, Chinese military training will be carried out in the vicinity of Shanghai. As regards the enforcement of the conscription law in the International Settlement the S.M.C. is reported to be holding the following opinion:-

The Chinese authorities may attempt to enforce the conscription law in the International Settlement, but such an attempt will constitute a violation of the established practice as the Chinese authorities can apply force upon Chinese in the foreign settlements only in accordance with regulations provided by the Settlement. It is clear that the increased military spirit of the Chinese people will affect the Settlements. In order to enforce such a conscription law in the International Settlement China needs to hold a long conference with the Powers which are interested in the International Settlement affairs. In accordance with the Shanghai Truce Chinese troops are not allowed to enter a certain area in the vicinity of Shanghai. For this reason, the enforcement of a conscription law is irregular even in the Chinese controlled territory not to speak of the foreign settlements. If this question is brought before the Powers concerned it will be discussed along the line of politics rather than the theory of law. The S.M.C. will exercise its police power which is historically recognized, leaving alone the theory of law. For instance no explanation can be given by the S.M.C. for the theory of law that no Chinese officers engaged in the enforcement of the conscription law will be allowed to enter the International Settlement, but the Municipal Police will give protection to the Chinese who refuse to obey the conscription law.

NICHI-NICHIJAPANESE AUTHORITIES DENY ARREST OF AMERICAN POWELL

57994  
A Domei telegram from Peiping dated August 3 reports that it has been stated that an American named Powell of the Fox Moving Picture Company was arrested by the Japanese soldiers, but the Japanese Embassy and military authorities there have denied the report as a result of an investigation made in that respect. The Japanese Embassy is making further investigations regarding Powell's arrival in Peiping.

August 3, 1937.

NIPPO

CHINESE POLICE RESPONSIBLE FOR EXODUS: SOLDIERS  
DISGUISED AS POLICE INDULGE IN LOOTING

The ever increasing provocative attitude of the Chinese army in the North forces Japan, who is attempting to pursue a policy of non-aggravation and to localize the incident, abandon hope of a peaceful settlement. Although acts of terrorism were committed on Japanese subjects at Tungchow by the Chinese, thus causing great indignation among the Japanese people, the Japanese authorities in Shanghai are advising Japanese residents to maintain a calm attitude and not to be excited at groundless rumours emanating from Chinese sources. The Chinese authorities have agreed that they will co-operate with the Japanese authorities to prevent recurrence of unhappy incidents, but Chinese residents in Chapei are continually removing into the foreign settlements, various anti-Japanese organizations encourage the war spirit and the Chinese newspapers publish irresponsible news. This shows that the Chinese authorities are breaking their word. Who is responsible for the uneasiness created in Shanghai?

A reporter of this paper made an inspection tour lately in Chapei and Kiangwan district and states that at various places in Chapei near the swimming pool in Hongkew Park Chinese police were on guard duty at spaces of 120 yards wearing black steel helmets and carrying modern rifles. A hand grenade in the chest pocket adds to the unusual appearance. Si-Dien Road, Recreation Road and East Pao-An Road, Chapei, were heavily guarded by the Chinese police, giving an impression of war to the ignorant people, who removed their belongings as far as the French Concession. At various important places barbed wire entanglements and sand bag defences were erected. The dwelling houses evacuated by the inhabitants are apparently being used by the police on duty. When some of the refugees taking out their belongings were questioned they stated that the police in steel helmets were soldiers disguised as policemen and that their bad conduct was unspeakable although they were said to be serving their country. Chickens and other domestic animals were looted by them and young girls assaulted. This proves that the Chinese accusation that the Japanese are responsible for the Chinese exodus is untrue. The Japanese naval landing party is adopting a careful attitude and suspending practice. The Chinese should take note of this.

It is advisable that the general public, Chinese and foreign residents as well as Japanese residents, should not enter these districts at night.



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MAINICHI

ANTI-JAPANESE POPULAR FRONT TO BECOME ACTIVE

It is reported that on July 31 the seven arrested leaders of the anti-Japanese popular front movement were released on bail and that on July 30 they sent a telegram to Generals Chiang Kai-shek and Feng Yu-hsiang asking instructions for national defence. The anti-Japanese Popular Front, which has been inactive since the arrest of its leaders, is expected to assert itself when they are released.

NATIONAL SALVATION ASSOCIATION PLANS GENERAL STRIKE IN JAPANESE COTTON MILLS

Acting on instructions of the Various Circles United National Salvation Association to demand Japan's withdrawal from the North and to occupy mills, the labour unions in the eastern and western mill districts organized women's relief corps and an enemy resisting support society, compelling workers to affix their signatures endorsing their affiliation, with a view to causing a general strike among the workers of all Japanese cotton mills. The S.M.P. are keeping a close watch on the movements of labourers in the mill districts.

CHINESE STUDENTS RETURNED FROM JAPAN INDULGE IN RED ACTIVITIES

7-24  
The National Salvation Association formed by the Chinese students returned from Japan has issued a manifesto to the people instigating anti-Japanese feelings and has sent a telegram to General Chiang Kai-shek offering supreme sacrifice at the front in resisting Japan. It is however reported that the association is engaged in red activities under the pretext of the national salvation movement.

~~MEMO(31-7-37)~~

GENERALS HO YING-CHIN AND CHENG CHIEN ADVISE GENERAL CHIANG KAI-SHEK TO RETIRE

Having been influenced by young officers who associated with communists and by the increased anti-Japanese sentiment among the people, General Chiang Kai-shek has issued a manifesto in favour of an anti-Japanese war. Knowing that China's war with Japan will delay military preparations and unification work due to insufficient preparations for a major war, General Ho Ying-chin, Minister of War, and General Cheng Chien are opposed to immediate war against Japan. About two or three days ago General Ho and General Cheng called on General Chiang Kai-shek and informed him that at least

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MAINICHI

JAPANESE AMALGAMATED ASSOCIATION OF STREET UNIONS TO  
REQUEST S.M.C. TO DEAL WITH FIRING OF CRACKERS

The Shanghai City Government is reported to have promulgated a set of regulations governing fire crackers, but the enforcement of them is being neglected.

The Chinese people are fond of setting off fire crackers, but the latter often cause fire and their noise is liable to be mistaken for pistol reports, thereby hindering the execution of police duty. For this reason, the Japanese Amalgamated Association of Street Unions will hold an emergency meeting of its Standing Committee in a day or two to discuss a proposal to be presented to the S.M.C. for the suppression of firing crackers by Chinese on any day except Chinese national holidays or national anniversaries.

JAPANESE REFUGEES ARRIVE IN SHANGHAI FROM HANGCHOW

It is reported that owing to increased anti-Japanese activities in Hangchow 23 Japanese residents there, including members of the families of the Japanese Consular officers, arrived in Shanghai at 6.30 p.m. July 30.

CHINESE BOYCOTT JAPANESE GOODS

Since the outbreak of the northern incident, business between Japanese and Chinese merchants has been greatly reduced. Business agreements concluded between Japanese Cotton Mills and Chinese merchants have been cancelled by the latter. Orders laid by Chinese merchants for Japanese sundry goods have been cancelled, thus giving a heavy blow to the Japanese merchants. It is reported that the products of the Japanese glass factory in Chapei have been completely boycotted by Chinese customers. The business of the local Japanese shipping companies has been greatly reduced due to the Chinese anti-Japanese boycott. In general anti-Japanese boycott activities have become graver than before the Shanghai hostilities.

CHINESE DISCONTINUE WATER AND ELECTRICITY SUPPLIES  
TO JAPANESE IN SWATOW

A Domei telegram from Canton dated July 30 reports that 30 Formosans at Chaochow evacuated to Swatow on July 29 owing to severe anti-Japanese activities. The Chinese people at Swatow have discontinued water and electricity supplies to Japanese residents.



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MAINICHI

GENERAL CHIANG KAI-SHEK FEARS FALL OF HIS REGIME

A special telegram from Nanking reports that on July 29 General Chiang Kai-shek issued a strong statement to the Central News Agency. However, he understands that war with Japan will do no good to China, judging from the results of the northern incident. Although the military authorities of the Central Government maintain that the time has not yet come for war with Japan, the Chinese public and a number of pro-Soviet Chinese, including General Feng Yu-hsiang and Mr. Sun Fo, are strongly advocating immediate declaration of war on Japan. General Chen Chung, Vice Minister of War, was dispatched to Paoing and the Central Army was ordered to march towards the North. General Chiang fears that the Communist Party will become active. The Communist Party is preparing to break away from the Nanking-Communist co-operation and wishes to win the favour of the people by advocating anti-Japanism. Should General Chiang Kai-shek fail to accept the opinion of the people the Nanking regime will fall. For this reason, General Chiang Kai-shek on July 20 and 29 issued two manifestoes advocating an anti-Japanese war stating that China will not declare war unless challenged by Japan. It is believed that there will be no war between Japan and China as Japan is pursuing a policy of non-aggravation. For the time being China will refuse to conduct diplomatic negotiations with Japan even if the present situation is settled without a war. In order to save China's face, the Nanking Government requested the Ambassadors of Great Britain, America, France, Italy and other countries to mediate in the present trouble and at the same time issued instructions to Dr. H.H. Kung and to the Chinese Ambassadors to America, Great Britain, and France to move the Governments to interfere in the present trouble in the North.

NIKKO

CHIANG KAI-SHEK TO REFUSE TO MEET JAPANESE AMBASSADOR

According to the Central News Agency, General Chiang Kai-shek will refuse to open negotiations with the Japanese Ambassador so long as Japan does not accept four principles advanced by General Chiang Kai-shek on July 19. Japan may attempt to open negotiations by sending Ambassador Kawagoe to Nanking.

**NIGHT-NIGHT**

**SEVEN LOCAL JAPANESE CALLED UPON FOR MILITARY SERVICE**

It is reported that seven Japanese residents who are in the reserve and second reserve lists have been mobilized by the Government and that they will leave here on July 30 by the s.s. Shanghai Maru. The Japanese Residents' Corporation and the Japanese Ex-Service Men's Association will see them off at the wharf.

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MAINICHI

MIYAZAKI IDENTIFIED AND BROUGHT TO SHANGHAI  
LAST NIGHT

In order to identify a Japanese claiming to be Miyazaki who disappeared on July 24 and who was handed over to the Japanese Consulate-General at Nanking by the Chinese authorities, the Japanese Naval Landing Party Headquarters dispatched an officer who identified the prisoner as Sadao Miyazaki and brought him to Shanghai at 9.20 p.m. July by train from Nanking. The Japanese naval authorities were unable to examine the prisoner last night as he was tired and very much excited.

ANTI-JAPANESE HANDBILLS FOUND ON WOOSUNG ROAD

The uneasiness of Shanghai residents has increased as the situation in the North has become graver, and anti-Japanese agitation is frequently appearing among the masses. Five different kinds of strong anti-Japanese handbills issued by the Chinese National Rehabilitation Association have been found posted on walls along Woosung Road. The handbills in general urge the people to assist the Chinese Peace Preservation Corps to drive away Japanese influence from Shanghai.

The Japanese Consular Police and the Hongkew Police dispatched officers to the scene to make an investigation and the handbills were removed. One of the handbills contains the following:-

"Fellow countrymen, your fathers and brothers have been slain by the outrageous Japanese. Your sisters have been raped by the violent Japanese. Your homes and gardens have been occupied by the atrocious Japanese. If you do not offer resistance now, will you ever resist? Wake up and oppose the Japanese. Danger is present as long as Japanese soldiers remain in Shanghai. Drive the Japanese soldiers out of Shanghai with the hot blood of our fellow countrymen. Assist the Peace Preservation Corps in Shanghai with our concentrated strength and efforts in order to drive away the shameless Japanese soldiers. Demand that our Government declare war on Japan.

The Chinese National Rehabilitation  
Association."

NIPO

JAPANESE NAVAL ATTACHE WANTS CHINESE NAVY MINISTER

27994  
An urgent telegram from Nanking dated July 29 requests that, in accordance with the decision of the Chinese Government, a warning be issued to the Japanese naval authorities regarding the Japanese anti-Japanese

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activities in Central and South China following the outbreak of the northern incident, Rear-Admiral Honda, Naval Attache, proceeded to Nanking. At 3.30 p.m. July 29, in company with the residential naval officer, Nakahara, at Nanking, he called on Admiral Chen Shao-huan, Minister of Navy, and drew his attention to the fact that anti-Japanese feelings among the people in Central and South China had become stronger since the boycott on Japanese goods under the pretext of suppressing smuggled goods. Admiral Honda further stated that the Japanese naval authorities would be obliged to suppress this attitude with armed force if necessary in order to protect Japanese lives and property. In that case the responsibility for the incident would rest with the Chinese authorities.

In reply Admiral Chen promised proper protection of all Japanese.

Naval Attache Honda left Nanking the same night for Shanghai.

**ANTI-JAPANESE ORGANIZATIONS TO PRESENT 2000 SWORDS  
TO CHINESE SOLDIERS AT THE FRONT**

It is reported that Messrs Tu Yush-sung, Wang Shiao-lai, Loh Tsing-hwa and Ching Tung-siang, representing local anti-Japanese organizations, have decided to present 2000 big swords to the Chinese soldiers at the front. The swords will be manufactured through public subscriptions.

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MAINichi

GAS MASK COMMITTEE FORMED

It is reported that the various Chinese public organizations have formed a "Gas Mask Committee" with a view to manufacturing gas masks and sending them to the 29th Army in case Japan uses poison gas. The inquiry office of the Committee is located at the Chinese Chamber of Commerce. The gas masks will be manufactured with funds donated by the people and each mask will cost no more than ten cents (?)

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NIPPO

GENERAL CHIANG KAI-SHEK ORDERS TROOPS TO MARCH ON  
PEIPING AND TIENTSIN; INSTRUCTIONS ISSUED TO  
AIR FORCE

An urgent telegram from Nanking reports that on the morning of July 28 General Chiang Kai-shek, chairman of the Military Affairs Commission, in accordance with the decision arrived at by the Commission, ordered 50,000 soldiers belonging to General Zhang Chen and General Wan Fu-lin, which had already arrived in Paoting and Changchow, to march towards Peiping and Tientsin. The vanguards of the troops are reported to have arrived at Changaintien. About 30,000 soldiers of the 29th Army which was stationed at Paoting have assembled on the right bank of the Yungting River. About 150,000 Chinese soldiers are surrounding Peiping and Tientsin.

In the expectation of a general clash between Japanese and Chinese troops, General Chiang Kai-shek has issued the air force with the following instructions:-

1. The air force should operate from its headquarters at Loyang, its left wing at Taiyuan and its right wing at Hsuehchow.

2. In order to defend Shantung, Nanking and Shanghai from air attack a part of the air force at Hangchow should be removed to Pangpu, Anhwei Province and Kwangteh, Chekiang Province and the air force at Nanchang should be removed to Nanking and Kwangteh.

About 600 aeroplanes have been mobilized by the Nanking Government.

PEACE PRESERVATION CORPS CAUSES UNEASINESS AMONG  
RESIDENTS

It is reported that, as a result of vigorous exercises being carried out by the Chinese Peace Preservation Corps every night in Chapei, the uneasiness of the residents in that area has been increased so that they have evacuated Chapei in large numbers.

GENERAL CHIANG KAI-SHEK INSTRUCTS GENERAL SUNG CHEH-YUAN TO ADOPT GUERRILLA TACTICS

An urgent telegram from Nanking reports that on the evening of July 27 General Chiang Kai-shek issued instructions to General Sung Cheh-yuan to adopt guerilla tactics in the resistance against Japan at Tientsin and Peiping. The Chinese authorities at Nanking are taking a suppressive attitude towards Japanese residents and threatening Chinese employed by Japanese.

SARITAI TO MOVE TO KU-HANY

57794  
An urgent telegram from Nanking dated July 28 reports that rumors are in circulation to

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MAINICHI

TWO CHINESE EMPLOYEES OF JAPANESE FARM RELEASED

It is reported that the two Chinese employees of the Seibi Noen, a Japanese farm, who were arrested by the Chinese Peace Preservation Corps on suspicion of espionage, were released on July 26.

CHINA DETERMINED TO FIGHT

General Chiang Kai-shek is ostensibly supporting the young officers who suggest a strong attitude towards the present situation, but he knows that an aggravation of the northern situation will do no good to China. However as a result of the conferences held daily after General Chiang Kai-shek's return to Nanking, it is believed that China has determined to fight. Mr. T. V. Soong, who arrived in Nanking on July 25, is reported to have made a strong suggestion regarding financial affairs.

NIPPO

RADICAL MEMBERS OF NATIONAL SALVATION ASSOCIATION  
IN SHANGHAI TO CREATE DISTURBANCES

A number of radical elements are said to have arrived in Shanghai to create disturbances in co-operation with the National Salvation Association. Since July 19 highly anti-Japanese slogans issued by the National Salvation Association have been found posted at various places in Shanghai. One slogan says, "China cannot maintain her existence unless she resorts to resistance against Japan, and the Chinese should kill the Japanese". These slogans were posted at places where many persons usually gather. The United National Salvation Association is said to have resolved to distribute anti-Japanese handbills among farmers to raise anti-Japanese feelings and to carry out street speeches, besides the following resolutions:-

1. That anti-enemy relief corps be organized as from July 20 the expenditure for which will be borne by the Shanghai Peoples' United National Salvation Association.
2. That the senior officers of the Various Circles United National Salvation Association be mobilized for anti-Japanese and National Salvation propaganda in Shanghai and urban districts.

COMMUNIST PARTY TO FORM STUDENTS' ANTI JAPANESE  
VOLUNTEER CORPS

The red elements who arrived in Shanghai following the outbreak of the northern incident, in co-operation with various organizations have formed